

WISCONSIN TECHNICAL COLLEGE SYSTEM

Budget Summary							
Fund	2014-15 Base Year Doubled	2015-17 Governor	2015-17 Jt. Finance	2015-17 Legislature	2015-17 Act 55	Act 55 Change Over <u>Base Year Doubled</u>	
						Amount	Percent
GPR	\$1,038,673,000	\$1,038,638,900	\$1,038,638,900	\$1,038,638,900	\$1,038,638,900	- \$34,100	0.0%
FED	65,322,800	65,677,600	65,503,600	65,503,600	65,503,600	180,800	0.3
PR	10,533,600	9,191,000	10,614,600	10,614,600	10,614,600	81,000	0.8
SEG	<u>0</u>	<u>0</u>	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>	N.A.
TOTAL	\$1,114,529,400	\$1,113,507,500	\$1,115,257,100	\$1,115,257,100	\$1,115,257,100	\$727,700	0.1%

FTE Position Summary						
Fund	2014-15 Base	2016-17 Governor	2016-17 Jt. Finance	2016-17 Legislature	2016-17 Act 55	Act 55 Change Over 2014-15 Base
GPR	23.25	18.75	23.25	23.25	23.25	0.00
FED	28.75	22.25	26.75	26.75	26.75	- 2.00
PR	12.50	5.00	11.50	11.50	11.50	- 1.00
SEG	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
TOTAL	64.50	46.00	61.50	61.50	61.50	- 3.00

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS

Governor/Legislature: Adjust the base budget by -\$20,100 GPR in 2015-16 and -\$14,000 GPR in 2016-17, \$174,900 FED in 2015-16 and \$179,900 FED in 2016-17, and \$39,700 PR in 2015-16 and \$41,300 PR in 2016-17 for: (a) full funding of continuing position salaries and fringe benefits (\$63,300 GPR annually, \$58,500 FED annually, and \$56,500 PR annually); and (b) full funding of lease and directed moves costs (-\$83,400 GPR in 2015-16 and -\$77,300 GPR in 2016-17, \$116,400 FED in 2015-16 and \$121,400 FED in 2016-17, and -\$16,800 PR in 2015-16 and -\$15,200 PR in 2016-17).

GPR	- \$34,100
FED	354,800
PR	<u>81,000</u>
Total	\$401,700

2. ELIMINATE LONG-TERM VACANCIES [LFB Paper 720]

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
FED	\$0	- 2.00	-\$174,000	0.00	-\$174,000	- 2.00
PR	<u>0</u>	<u>- 1.00</u>	<u>0</u>	<u>0.00</u>	<u>0</u>	<u>- 1.00</u>
Total	0	- 3.00	-\$174,000	0.00	-\$174,000	- 3.00

Governor: Delete 3.0 positions annually to reflect the elimination of long-term vacant positions under the bill. The reductions would include 2.0 FED positions and 1.0 PR position annually. Position reductions are associated with positions that have been vacant for 12 months or more.

Joint Finance/Legislature: Modify the Governor's recommendation to reduce funding by \$87,000 FED annually to reflect the salary and fringe benefit amounts associated with 2.0 vacant FED positions that would be deleted under the bill.

3. TRANSFER FUNCTIONS AND DELETE POSITIONS FOR DOA SHARED AGENCY SERVICES [LFB Paper 111]

	Governor (Chg. to Base) Positions	Jt. Finance/Leg. (Chg. to Gov) Positions	Net Change Positions
GPR	- 2.50	2.50	0.00
FED	<u>- 0.50</u>	<u>0.50</u>	<u>0.00</u>
Total	- 3.00	3.00	0.00

Governor: Delete 3.00 positions from the following appropriations of the Wisconsin Technical College System, for a shared agency services pilot program under the Department of Administration (DOA): (a) general program operations (-2.50 GPR positions); and (b) federal aid -- state operations (-0.50 FED positions). Funding associated with the positions (\$245,900 GPR and \$49,400 FED annually) would not be reduced, but rather reallocated to supplies and services to pay shared agency services charges assessed by DOA. The bill does not specify that incumbent employees would be transferred to DOA.

Transfer the following functions to DOA under the pilot program: (a) human resources services; (b) payroll services; (c) finance services; (d) budget functions; and (e) procurement services. Under the bill, DOA would be authorized to assess agencies for services provided under the pilot program in accordance with a methodology determined by DOA.

Joint Finance/Legislature: Delete provision. [See "Administration -- Transfers."]

4. PROVISION OF INFORMATION TECHNOLOGY SERVICES BY DEPARTMENT OF ADMINISTRATION [LFB Paper 110]

	Governor (Chg. to Base) Positions	Jt. Finance/Leg. (Chg. to Gov) Positions	Net Change Positions
GPR	- 2.00	2.00	0.00
FED	<u>- 4.00</u>	<u>4.00</u>	<u>0.00</u>
Total	- 6.00	6.00	0.00

Governor: Require that all information technology services for the Wisconsin Technical College System be provided by the Department of Administration (DOA).

Delete 6.00 positions from the following appropriations of the Wisconsin Technical College System to transfer responsibility for all information technology services to DOA: (a) general program operations (2.00 GPR positions); and (b) federal aid -- state operations (4.00 FED positions). Funding associated with the positions (\$203,700 GPR and \$369,200 FED annually) would not be reduced, but rather reallocated to supplies and services to pay charges by DOA for information technology services. The bill does not specify that incumbent employees would be transferred to DOA.

On the effective date of the bill, specify that the assets and liabilities of the Wisconsin Technical College System related to information technology, as determined by the Secretary of DOA, would become the assets and liabilities of DOA. In addition, on the effective date of the bill, specify that all tangible personal property, including records, relating to information technology would transfer to DOA. Further, all information technology contracts would remain in effect and would transfer to DOA

Joint Finance/Legislature: Delete provision. [See "Administration -- Transfers."]

5. LAPSE REQUIREMENT

Governor/Legislature: Specify that the 2013 Act 145 requirement that WTCS lapse \$65,100 to the general fund from the unencumbered balances of GPR and PR appropriations in 2015-16 would also apply to 2016-17. [See "Budget Management and Compensation Reserves."]

[Act 55 Section: 4749]

6. INCREASE PERFORMANCE BASED FUNDING ALLOCATION [LFB Paper 721]

Governor: Require the System Board to increase the percentage of general state aid allocated to technical colleges based on each district's performance. In fiscal year 2017-18, require that 40% (\$35,414,000) of the total amount appropriated as general aid to technical college districts would be distributed according to the performance based formula. Require that the remaining 60% (\$53,120,900) be distributed according to the property tax equalization funding formula, which is based on property values and aidable costs. Provide that in 2018-19,

an additional 10% of general aid would be distributed using the performance based formula. Specify that in 2019-20, 100% of general aid would be allocated using the performance based formula. Provide that the statutory language defining the property tax equalization funding formula would no longer apply after July 1, 2019.

Under current law, 20% of general aid funding will be distributed using the performance based formula in 2015-16, and this percentage will increase to 30% in 2016-17, but will then be set at 0% in 2017-18 and thereafter.

Joint Finance/Legislature: Modify the Governor's recommendations by specifying that the percentage of general aids distributed under the performance-based funding formula would remain at 30% in 2017-18 and annually thereafter.

Additionally, require that the Wisconsin Technical College System Board review the performance-based funding formula and submit a report to the Joint Committee on Finance in the 2015-17 biennium. Specify that the report would include possible changes to the performance-based funding formula and additional performance criteria that could be included.

Veto by Governor [B-15 and B-16]: Delete provision specifying that the percentage of general aids distributed under the performance-based formula would remain at 30% in 2017-18 and thereafter. As a result, the portion of state general aid distributed under the performance-based formula would revert to zero beginning in fiscal year 2017-18. Additionally, delete provision requiring the Wisconsin Technical College System Board to submit a report to the Joint Committee on Finance with possible changes to the performance-based funding formula and additional performance criteria that could be included.

[Act 55 Vetoed Sections: 1343m and 9143(3j)]

7. ADDITIONAL PERFORMANCE-BASED FUNDING CRITERION [LFB Paper 721]

Governor/Legislature: Establish an additional criterion that would be added to the nine current law criteria on which performance-based funding is allocated. The additional criterion would allocate funding based on the development and implementation of a policy to award course credit for relevant educational experience or training not obtained through an institution of higher education, including skills training received during military service. Under the proposal, each district would choose seven of the 10 statutory criteria on which its performance based funding would be allocated. The additional criterion would be included in the annual report submitted by the Board to the Joint Committee on Finance and in the legislative proposals related to the performance funding criteria required to be included in the Board's biennial budget requests under current law.

[Act 55 Sections: 1339 thru 1343]

8. TUITION FREEZE FOR HIGH DEMAND FIELDS [LFB Paper 722]

Governor: Restrict program fee increases for courses in high-demand fields, as determined by the Department of Workforce Development (DWD). Specify that this determination by DWD would not be considered an administrative rule. The Board could not establish program fees for a course in a high-demand field that would exceed the program fees for the same course in the same district in the most recent school year in which the course was offered. Require DWD to issue an annual report to the Board determining all high-demand fields during that year. Specify that the report would be issued no later than 30 days after the effective date of the act, and by December 31 of each year thereafter.

Joint Finance/Legislature: Delete provision as a non-fiscal policy item.

9. JOINT SELF-INSURED PLANS

Governor/Legislature: Allow two or more technical college districts that together have at least 100 employees (all districts have at least 100 employees) to jointly provide health care benefits to their officers and employees on a self-insured basis, procure stop loss insurance, or self-insure stop loss risk. Provide that any self-insured health plan must comply with current law requirements for self-insured health plans provided by cities, towns, or villages to their employees. Include a self-insurance plan offered by a technical college district in the statutory definition of a third-party payer and in the requirement that every self-insurance plan provide coverage for blood lead tests for children under six years of age in accordance with the recommendations of the Department of Health Services.

[Act 55 Sections: 1950, 1951, 1952, 4046, and 4591]

10. ELIMINATE EDUCATIONAL APPROVAL BOARD

	Governor		Jt. Finance/Leg.		Net Change	
	<u>(Chg. to Base)</u>		<u>(Chg. to Gov)</u>		<u>Funding</u>	<u>Positions</u>
	Funding	Positions	Funding	Positions	Funding	Positions
PR	-\$1,423,600	- 6.50	\$1,423,600	6.50	\$0	0.00

Governor: Delete \$711,800 PR and 6.50 PR positions annually by eliminating the Educational Approval Board, effective January 1, 2016.

Transfer the following functions to the proposed Department of Financial Institutions and Professional Standards (DFIPS): (a) authorizing proprietary schools that do business in Wisconsin and seek authorization from the state, defined as private trade, correspondence, business, technical, and other private schools seeking federal funding; (b) maintaining student records if a school operating in Wisconsin discontinues or may discontinue its operations and DFIPS determines that the records are in danger of being made unavailable to students or their authorized representatives and will not be maintained by the Wisconsin Association of

Independent Colleges and Universities; and (c) creating rules and establishing standards necessary to fulfill these duties.

Require that student records maintained by DFIPS would be preserved and kept confidential except upon the request of the person who is the subject of the record or an authorized representative of that person. A fee could be charged for providing a copy of a student record, based on the administrative cost of possessing, preserving, and providing the copy of the student record, to be credited in the general operations appropriation of DFIPS. DFIPS could seek a court order to protect student records from being destroyed or made unavailable to the student or the student's authorized representative.

Require DFIPS to issue written authorization to a proprietary school doing business within the state if the school meets requirements established by DFIPS by rule. Require that DFIPS issue rules addressing the following: (a) criteria or standards for providing authorization, including a requirement that the school has accreditation recognized by the U.S. Secretary of Education or recognized by the Council for Higher Education Accreditation; (b) the period for which DFIPS authorization is valid, to be no longer than four years; (c) criteria or standards and a procedure for revoking authorization previously provided, including revocation if the school loses the required accreditation; (d) criteria or standards and a procedure for the school to regain authorization after its authorization has been revoked; and (e) the fees to be paid to DFIPS for authorization, to be sufficient to cover all costs incurred by DFIPS in authorizing proprietary schools. An authorized school would be required to notify DFIPS if it lost its accreditation during the authorization period. Require DFIPS to cooperate with accrediting agencies or associations recognized by the federal Secretary of Education and with the Secretary of Education regarding certification or recertification of schools to fulfill related obligations required by federal law with respect to any school authorized by DFIPS or for which DFIPS has a pending application for authorization.

Repeal statutory language requiring the inspection, examination, and approval of proprietary schools and the provision requiring approved schools to submit a quarterly report, including information on enrollment, number of teachers and their qualifications, course offerings, number of graduates, number of graduates successfully employed, and other information required by the Board. Delete the provision requiring schools to pay student protection fees to be used for the full or partial payment of losses in the event that a school closure resulted in losses to students, parents, or sponsors.

Transfer to the Department of Agriculture, Trade and Consumer Protection (DATCP) functions relating to consumer protection, including the authority to investigate complaints and potential violations related to proprietary schools and to establish rules and standards necessary to carry out these functions.

Transfer authority to restrict the use of the terms "college" or "university" and to impose sanctions on individuals using false academic credentials to DATCP. Modify requirements limiting the use of the terms "college" or "university" to exclude use of the terms by persons with the foreign equivalent of a U.S. accreditation. Delete provisions allowing the Board to approve authorized institutions of higher education and to charge a fee for evaluating institutions of

higher education for approval.

Repeal the following functions of the Board: (a) investigating the adequacy of courses and courses of instruction offered by schools to Wisconsin residents and establishing minimum standards for those courses of instruction; (b) investigating and establishing minimum standards for schools' facilities, equipment, instructional materials, and instructional programs; (c) establishing rules, standards, and criteria to prevent fraud and misrepresentation in the sale and advertising of courses and courses of instruction; (d) establishing rules restricting the negotiability of promissory instruments received by schools in payment of tuition and other charges; (e) establishing minimum standards for refund of the unused portion of tuition, fees, and other charges if a student does not enter a course or course of instruction, withdraws, or is discontinued from the course; (f) requiring schools offering courses and courses of instruction to Wisconsin residents to furnish information concerning their facilities, curricula, instructors, enrollment policies, tuition and other charges and fees, refund policies, and policies concerning the negotiability of promissory instruments received in payment of tuition and other charges; (g) approving courses of instruction, schools, changes of ownership or control of schools, and teaching locations meeting the requirements, standards, and rules established by the Board and publishing a list of approved schools and courses of instruction and a list of schools authorized to use the terms "college," "university," "state," or "Wisconsin" in their names; (h) issuing permits to individuals soliciting the enrollment of individuals in a school; and (i) requiring schools to furnish a surety bond in an amount as provided by rule.

Delete the provisions requiring an individual selling any course or course of instruction or soliciting students for a course or course of instruction to obtain a solicitor's permit. Under current law, the permit could be revoked if the solicitor provided false or misleading information to the Board or to prospective students, refused to provide information or allow reasonable inspection of the school, or if the school failed to meet requirements, standards, and rules established by the Board. Current law requires individuals applying for a solicitor's permit to supply a surety bond of \$2,000 to provide indemnification to any student suffering loss as a result of any fraud or misrepresentation used in procuring the student's enrollment or as a result of the school's failure to fulfill the agreement the solicitor made with the student.

The bill would provide that the Board's assets, liabilities, tangible personal property, and records, except for those related to consumer protection functions, as determined by the Secretary of Administration, would become the assets, liabilities, property, and records of DFIPS. The Board's assets, liabilities, tangible personal property, and records related to consumer protection functions would become the assets, liabilities, property, and records of DATCP.

Any matter pending with the Board on January 1, 2016, except for a matter related to consumer protection functions, as determined by the Secretary of Administration, would be transferred to DFIPS. All materials submitted to or actions taken by the Board would be considered to have been submitted to or taken by DFIPS. Any matter pending on January 1, 2016, related to the Board's consumer protection functions would be transferred to DATCP and all materials submitted to or actions taken by the Board would be considered to have been submitted to or taken by DATCP.

All contracts entered into by the Board prior to January 1, 2016, except for contracts related to functions transferred to DATCP, as determined by the Secretary of Administration, remain in effect and would be transferred to DFIPS. DFIPS would be required to carry out any obligations under a contract until the contract was modified or rescinded by DFIPS, to the extent allowed under the contract. Contracts related to consumer protection functions would be transferred to DATCP and DATCP would be required to carry out any obligations under a contract until the contract was modified or rescinded by DATCP, to the extent allowed under the contract.

All rules and orders developed by the Board in effect on January 1, 2016, would remain in effect until their specified expiration dates or until amended or repealed by DFIPS or DATCP, as applicable. The Secretary of Administration would determine which rules and orders of the Board would become those of DFIPS and which rules and orders would become those of DATCP.

The bill would transfer all unencumbered appropriation account balances that would be deleted under the board to DFIPS immediately prior to January 1, 2016. Between January 1, 2016, and January 31, 2016, the Secretary of Administration would transfer the unencumbered balance of the portion of the account balances related to consumer protection functions, as determined by the Secretary of Administration, to DATCP.

In case of disagreement among or between the Board, DFIPS, and DATCP, the Secretary of Administration would determine the matter and would develop a plan for the transfer of functions.

Joint Finance/Legislature: Delete provision.

11. STUDENT FEES FOR ACCIDENT INSURANCE

Joint Finance/Legislature: Prohibit technical colleges from charging a fee to a student associated with accident insurance coverage if both of the following apply: (a) the student requests that the fee be waived; and (b) the student provides evidence that the student is already insured under a policy providing equivalent accident insurance coverage.

Specify that this provision would first apply to students enrolled for the first semester or session beginning after the effective date of the bill.

[Act 55 Sections: 1334g, 1334r, and 9343(1v)]

12. DEFINITION OF EMPLOYER REPRESENTATIVE ON MILWAUKEE AREA TECHNICAL COLLEGE DISTRICT BOARD

Joint Finance/Legislature: Require that a person serving on the Milwaukee Area Technical College (MATC) district board representing employers have at least two years of experience managing a business entity, nonprofit organization, credit union, or cooperative association with at least 15 employees, or at least two years of experience managing the finances or

the hiring of personnel of a business entity, nonprofit organization, credit union, or cooperative association with at least 100 employees.

Specify that this definition would first apply to appointments made to the MATC district board on the effective date of the bill.

Under current law, the MATC district board is composed of nine members. The members must include five persons representing employers, including three representing employers with 15 or more employees, two representing employers with 100 or more employees, and at least two representing employers in the manufacturing business. The other members must include one school district administrator, one elected official who holds a state or local office, and two additional members.

[Act 55 Sections: 1334d and 9343(4f)]

13. TECHNICAL COLLEGE AGE ELIGIBILITY

Joint Finance/Legislature: Exempt an individual enrolled in a home-based private educational program from state law prohibiting an individual under the age of 16 from attending a technical college during the hours of the normal school day. Specify that this provision would first apply to students enrolled for the first semester or session beginning after the effective date of the bill.

Under current law, a person under the age of 16 is eligible to attend a technical college if all of the following apply: (a) the district board agrees to admit the individual; (b) the individual is a Wisconsin resident, or a non-resident whose enrollment has been approved by the district board; (c) the individual has the written permission of his or her parent or guardian; and (d) the individual will not be attending the district school during the hours of the normal school day.

[Act 55 Sections: 1334m and 9343(3f)]

14. VETERAN GRANT JOBS PROGRAM [LFB Paper 703]

SEG	\$500,000
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Joint Finance/Legislature: Provide \$500,000 SEG from the veterans trust fund to WTCS in 2016-17 to create a veteran grant jobs pilot program. Specify that no moneys may be encumbered from this appropriation after June 30, 2017. Require that before awarding any grants, the System Board identify \$500,000 in matching funds for the grants and that no new state moneys could be contributed toward these matching funds.

Require that the System Board create a competitive grant process to distribute grants to districts that request funding to support programs or services for veterans. Specify that relevant programs could include the following: (a) recruiting, training, or graduating veterans in high demand fields, as identified by the Department of Workforce Development; (b) providing specialized support services for veterans, including career pathway planning, case management, advising by experts in military education related to obtaining credit for prior learning, early alert interventions, and referrals to or subcontracting with external organizations to provide specialized

support services; (c) collaborations with employers; (d) work-based learning activities, such as internships, service learning, mentoring, job coaching, and job shadowing; (e) specialized instructional methodologies that have been demonstrated to be helpful for veterans to enhance student retention and completion; (f) creating, expanding, or implementing innovative methods that provide direct services to veterans, with a goal to support students through specific completion points such as completion of courses, semesters, programs, or certificates; (g) counseling or career services, which may include personal, educational, and career development support as well as proactive behavior and crisis intervention services; (h) targeted services based on student need such as financial literacy, career assessment and planning services, career workshops, computer skills and study skills workshops, veterans peer support groups or tutoring or supplemental instruction; (i) accommodation and transition services, including assistive technology such as adaptive equipment, instructional aids and devices and related services for injured veterans; (j) providing access or referrals to emergency dependent care and transportation assistance; and (k) any other program or service for veterans. No grant may be awarded after June 30, 2017.

Specify that the System Board would be required to submit a report to the Joint Committee on Finance by September 1, 2017, including the following information: (a) the technical colleges that received grant funding and the amount of funding received by each; (b) the programs or services funded through the grant program; (c) the total number of veterans supported through the program; and (d) the amount of unencumbered funds, if any, that lapsed to the veterans trust fund at the end of the 2015-17 biennium.

[Act 55 Sections: 614m, 1016m, 1336m, and 1348m]